

FISCAL NOTE

HB 99 - SB 985

March 17, 2005

SUMMARY OF BILL: Requires the Commissioner of the Department of Mental Health and Developmental Disabilities to develop a program that encourages employers to create job opportunities for individuals with disabilities who are receiving state services and creates a tax credit for such employers. The Commissioner will seek federal grant funds to be used to offset the cost of the tax credits.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$51,200 One-Time

Other Fiscal Impact – The Department of Mental Health and Developmental Disabilities (DMHDD) will incur a significant increase in expenditures to provide training, counseling, mentoring and other supports to get disabled persons ready for employment and to assist them during their employment. There will be a decrease in state revenues for the tax credit offered to employers which could exceed \$1,000,000, but the bill requires DMHDD to search for federal grant money to offset such loss in state revenues. Any grant funds that may be available for the employment of disabled persons could be restricted and therefore may not be used to offset any tax credit.

Assumptions:

- The Department of Mental Health and Developmental Disabilities would have to ascertain the number of disabled persons receiving state benefits who could qualify or could be assisted to qualify for employment, the resources needed to make each qualifying person employable and to maintain such employment and the number of employers which would participate in the program.
- There will be a one-time expenditure of \$51,200 for ITR to develop software for the employer tax credit.
- Based on the total amount of job tax credits for 2003 totaling \$27,000,000, the Department of Revenue estimates that there would be a 5% increase in the number of taxpayers taking advantage of the new credit which would exceed \$1,200,000 in decreased revenues for new tax credits before any offsets with federal grant funds can be obtained.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director